

For Division Use Only
File Number E1037/0186
Date NOI Received _____
Date NOI Approved _____
Date NOI Expires _____
DOGM Lead Tom
Permit Fee \$ 150 Ck # 4021
Task: 4481

APPROVED

NOV 21 2011

DIV. OIL GAS & MINING Telephone: (801) 538-5291 - Fax: (801) 359-3940

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801

Salt Lake City, Utah 84114-5801

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NOTICE OF INTENTION TO CONDUCT EXPLORATION

DIV. OF OIL, GAS & MINING

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated, 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

PLEASE NOTE: All information provided in this Notice of Intention shall be protected as confidential information by the Division. If extra space is required to completely answer any section, please attach additional sheets and include cross-referenced page numbers as necessary. The Permittee / Operator may submit this information on an alternate form, but the same or similar format and content must be used.

R647-1-106 - "Exploration" means surface disturbing activities conducted for the purpose of discovering a deposit or mineral deposit, delineating the boundaries of a deposit or mineral deposit, and identifying regions or specific areas in which deposits or mineral deposits are most likely to exist. "Exploration" includes, but is not limited to: sinking shafts; tunneling; drilling holes and digging pits or cuts; building of roads, and other access ways;" (and constructing and operating other facilities related to these activities).

I. GENERAL INFORMATION (Rule R647-2-104)

- Name of Mine:** Sage Plain Complex Drilling SP-2011-2
- Name of Entity Applying for Permit:** Colorado Plateau Partners LLC
Contact (Authorized Officer): Michael G. Leidich
Address: 813 14th St. Ste. A
City, State, Zip: Golden, CO 80401
Phone: (303) 955-5820 **Fax:** (303) 862-5900
E-mail Address: mleidich@royalusainc.com

Entity is a: Corporation () LLC (X) Sole Proprietorship (dba) ()
Partnership () General _____ or _____ limited
Individual () Other (specify type) _____

Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations www.commerce.utah.gov.

Are you currently registered to do business in the State of Utah? ☒ Yes ☐ No

Entity # 7421589-0161

Local Business License # _____

Issued by: County _____ or City _____

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NOV 21 2011

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Registered Utah Agent (as identified with the Utah Department of Commerce):

Name: Donn Pillmore
Address: 800 S VERMILLION DR PO BOX 138
City, State, Zip: Kanab UT 84741
Phone: _____ Fax: _____
E-mail Address: _____

3. **Entity's Representative (if different from #2)**

Name: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

4. **If Partnership or Sole Proprietor:**

Name of 1st partner / Sole Proprietor:

Name: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Partnership:

Name of 2nd Partner:

Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Corporation:

Name of Officers:

_____	Title: _____
_____	Title: _____
_____	Title: _____
_____	Title: _____

If Limited Liability Company: Member Managed ☐ Manager Managed ☒

Name of 1st Member/Manager: Michael G. Leidich

Address: 813 14th St. Ste. A
City, State, Zip: Golden, CO 80401
Phone: (303) 241-4994 Fax: _____
E-mail Address: mleidich@royalusainc.com

Name of 2nd Member/Manager:

Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

Name of 3rd Member/Manager:

Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

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NOV 21 2011 e3

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5. **Ownership of Land Surface:**Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐State Trust Land/School Sections ☐ State Sovereign Lands ☐

Other (please describe): _____

Name J.H. Ranch, Inc. Address HC 63 Box 128, 875 N. Ucolo Rd, Monticello, UT 84535Name Jack H. Calliham et. al Address HC 63 Box 133, Monticello, UT 84535Name Nadine Crain Address 12330 Hwy 491, Cortez, CO 81321

Name _____ Address _____

6. **Ownership of Minerals:**Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐State Trust Land/School Sections ☐ State Sovereign Lands ☐

Other (please describe): _____

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): _____

BLM Claim Numbers _____

Utah State Lease Number(s): _____

Name of Lessee(s) _____

7. **Have the above surface and mineral owners been notified in writing?**Yes X No _____

If no, why not? _____

*Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration **prior** to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5100 for notification requirements.*

8. **Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice?** Yes X No _____

DIV. OIL GAS & MINING ^{Page 4}

- County(ies): San Juan

1/4, of NW 1/4, of SW 1/4: Section: 27 Township: 32S Range: 26E, SLM
1/4, of NE 1/4, of SW 1/4: Section: 28 Township: 32S Range: 26E, SLM
1/4, of SW 1/4, of NW 1/4: Section: 29 Township: 32S Range: 26E, SLM

UTM East 670,187 (if known) UTM North 4,204,174 (If known) Zone 12S

NAD 83 See attachment for all hole locations

Name of Quad Map for Location: Piute Knoll

2. A general location map (USGS 7.5 Minute Series - scale 1"=2000') that shows project location and proposed access route (include existing and/or proposed roads).
3. A operations map (scale 1"=200', or other scale as approved by the Division) that identifies:
 - a. The area to be disturbed,
 - b. The location of any existing and proposed operations, including locations of access roads, drill holes, pits, adits, portals, trenches, shafts, cuts, waste dumps, tailing ponds, overburden and soil stockpiles, work areas, etc.,
 - c. The location of any adjacent previous disturbances for which the operator is not responsible (provide photo documentation of these areas).
4. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) **should** be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.
5. **Have the above surface and mineral owners been notified in writing?** Yes X No_
If no, why not?

*Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration **prior** to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.*

6. Does the Permittee / Operator have legal right to enter and conduct exploration on the land covered by this notice? Yes X No

1. **Minerals to be explored:** Uranium-Vanadium

2. Amount of material to be extracted, moved or proposed to be moved: _____

3. Identify the type or method of exploration proposed (place an "X"):

_____ Cuts _____ Pits _____ Trenches _____ Shafts _____ Tunnels
X Air Drilling _____ Fluid Drilling

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NOV 21 2011

Page 5

Form MR-EXP

DIV. OIL GAS & MINING

Other (describe) _____

4. **Proposed Disturbances (Approximate):**

Drill Pads: How many? 10 Width 30 (ft) Length 65 (ft)

Drill Holes: How many? 10 Depth ~700-800(ft) Diameter ~5.5 (in)

Note: All holes are expected to be dry. No more than 4 holes will be open at any one time. Shafts, trenches, pits, cuts, or other types of disturbance.

Describe type, how many of each, and general dimensions. A small pit (~10'x10'x3') will be at each site to catch cuttings. 8 sites are easily accessed from the existing road. Cross country routes will be used with minor disturbance (less than 500 feet) to access the other 2 holes.

☒ New Road(s): Length 0 (ft) Width 8 (ft)

☒ Improved Road(s) Length 0 (ft) Width 8 (ft)

Total project acreage to be disturbed 0.8 (acres)

5. **Proposed exploration schedule (dates):**

Begin: November 15, 2011 End: November 15, 2012

IV. **OPERATION AND RECLAMATION PRACTICES** (Rules R647-2-107, 108, and 109)

An exploration site is required to be kept in a clean and safe condition. Upon completion of exploration, the land is to be reclaimed to a useful condition with at least 70 percent of the original vegetative ground cover. To accomplish this, the Permittee / Operator will need to do the following work where applicable:

1. *Keep the exploration site in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination, in accordance with R647-2-108.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*
6. *Remove all waste or debris from stream channels.*
7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct exploration activities so as to minimize erosion and control sediment.*

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NOV 21 2011

Form MR-EXP

DIV. OIL GAS & MINING

9. Reclaim all roads that are not part of a permanent transportation system.
10. Stockpile topsoil and suitable overburden prior to making excavations.
11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
12. Properly prepare seed bed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.
13. Reseed disturbed areas with adaptable species. The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.
14. Plant the seed with a rangeland or farm drill, or broadcast seed. Fall is the preferred time to seed.

V. **VARIANCE REQUEST** (Rule R647-2-110) Yes _____ No X

Any variance must be approved by the Division in writing.

Rules R647-2-107, Operation Practices; R647-2-108, Hole Plugging Requirements; and R647-2-109, Reclamation Practices are summarized on the preceding page. Any planned deviations from these rules should be identified below and justification given for the variance request(s).

<u>Item Number</u>	<u>Variance Request Justification</u>
_____	_____
_____	_____

VI. **SURETY** (Act 40-8-7(1)[c])

The surety must be provided to and approved by the Division prior to commencement of operations.

The Utah Mined Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authority that all mining operations furnish and maintain reasonable surety to guarantee that the land affected is reclaimed according to approved *notices* consistent with on-site conditions. The surety amount is based on the nature, extent and duration of operations.

Acceptable forms of surety may include: certificates of deposit, letters of credit, surety bonds & cash.

VII. **PERMIT FEE** [Mined Land Reclamation Act 40-8-7(1)(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7 (1)(i)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Exploration Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

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NOV 21 2011
Page 7

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NOTICE: The following person(s) are authorized and designated to receive Notices of Violations, Cessation Orders and all other Notices required by the Division to be given to the permittee or operator:

Name: Michael G. Leidich, P.E.
Address: 813 14th St., Ste A
City, State, Zip: Golden, CO 80401
Phone: 303-955-5820 Fax: 303-862-5900
E-mail Address: mleidich@royalusainc.com

Name: Dick White
Address: 44 Union Blvd, Suite 600
City, State, Zip: Lakewood, CO 80228
Phone: 970-974-21 Fax: 970-974-2141
E-mail Address: d.white@energyfuels.com

VIII. SIGNATURE REQUIREMENT

I hereby verify that the foregoing information is true and accurate and commit to the reclamation of the aforementioned exploration project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

(Please check the box(s) and place your initials on the line(s) provided)

- ☒ I have enclosed the required permit fee.
- ☒ I have enclosed the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished.
- ☒ I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.
- ☒ I understand that the information in this notice, regarding the location, size and nature of the mineral deposit, will be protected as confidential information, until the file is closed (unless I give written release to divulge the information sooner).

(Note: If a company or corporation, this form must be signed by the owner or officer who is authorized to bind the company/corporation to this Notice.)

Signature of Permittee / Operator/Applicant: Michael Leidich

Name (typed or print): Michael G. Leidich

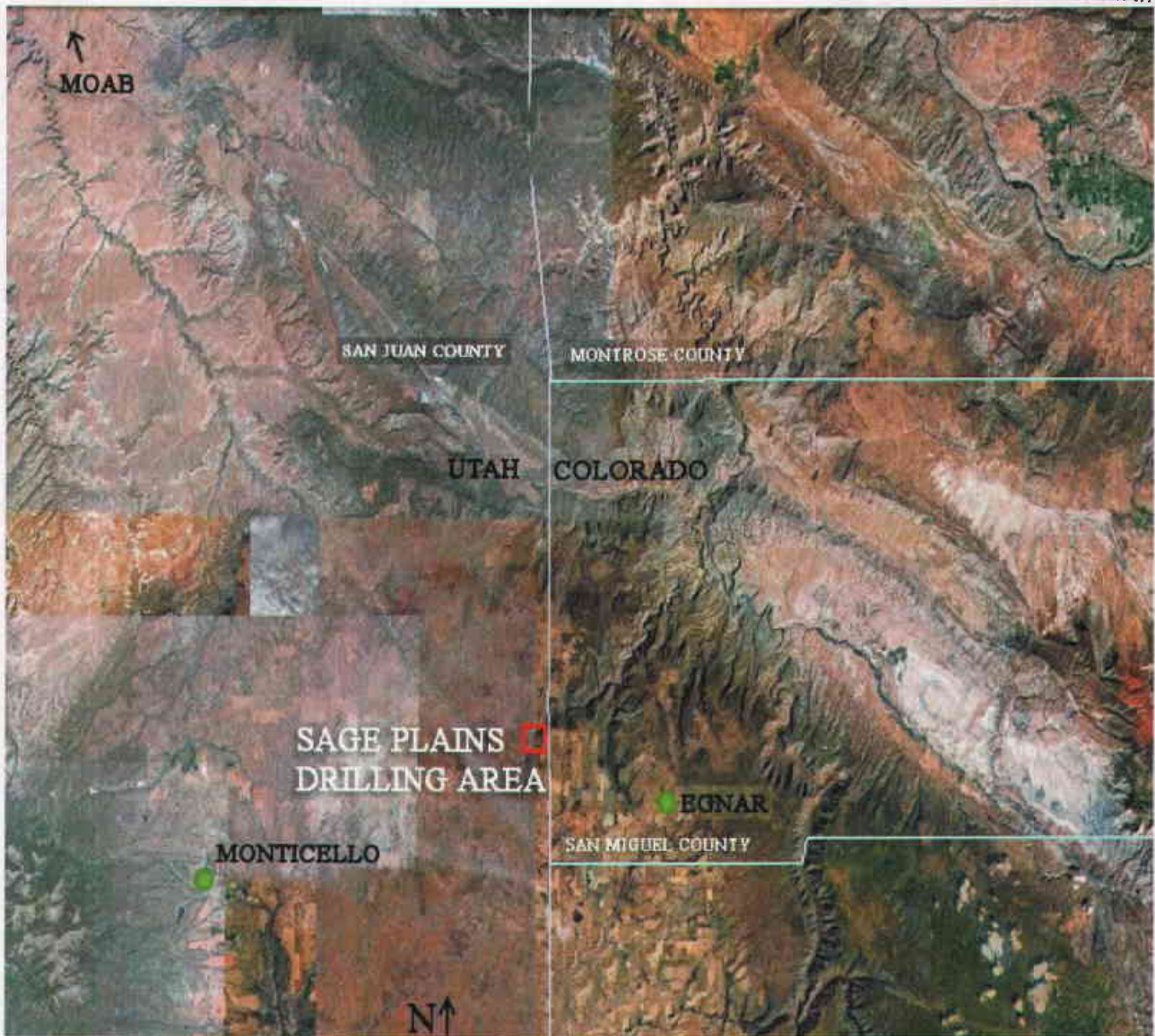
Title/Position (if applicable): Manager

Date: August 19, 2011

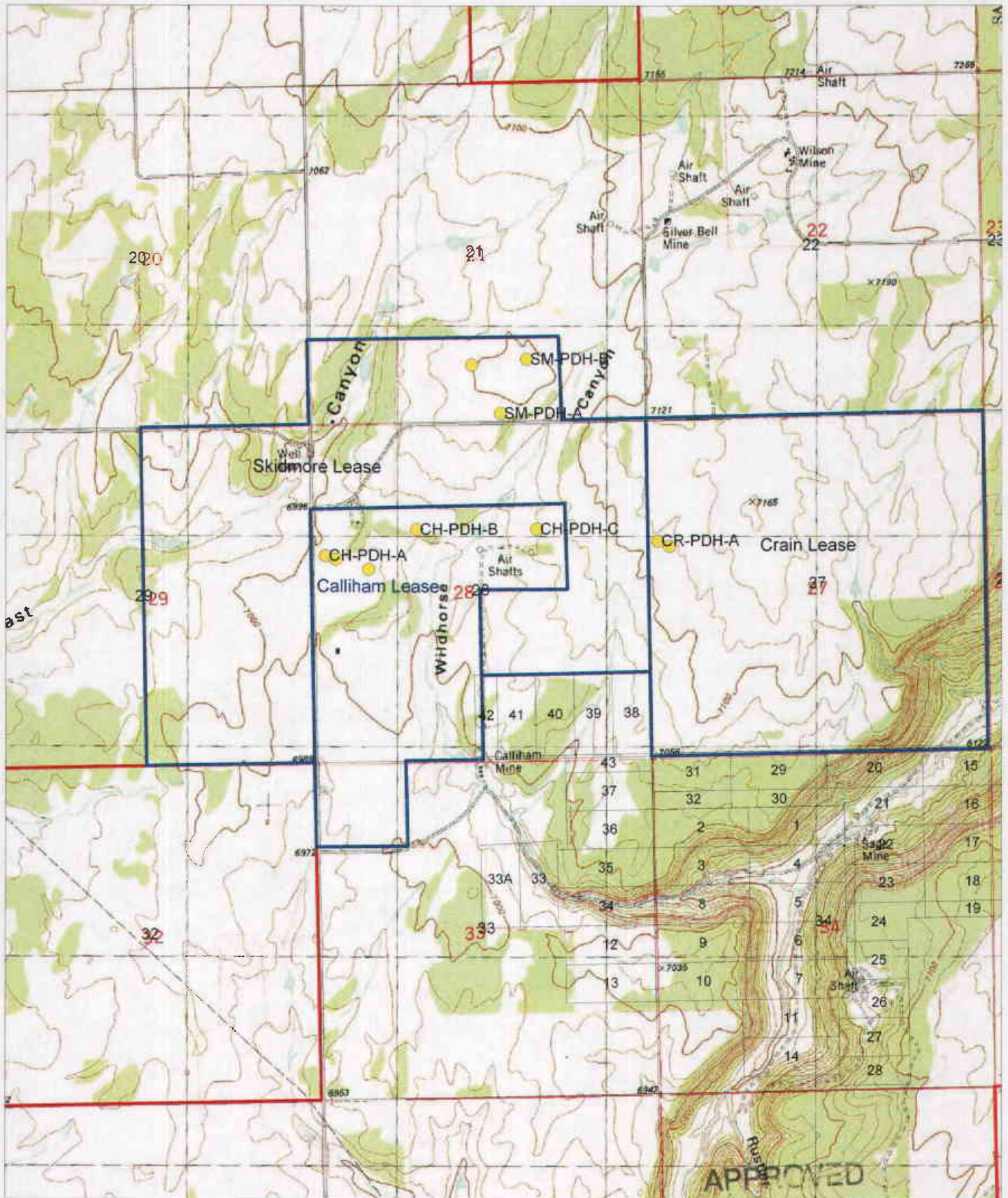
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NOV 21 2011

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Overview of the Sage Planes proposed drill area.

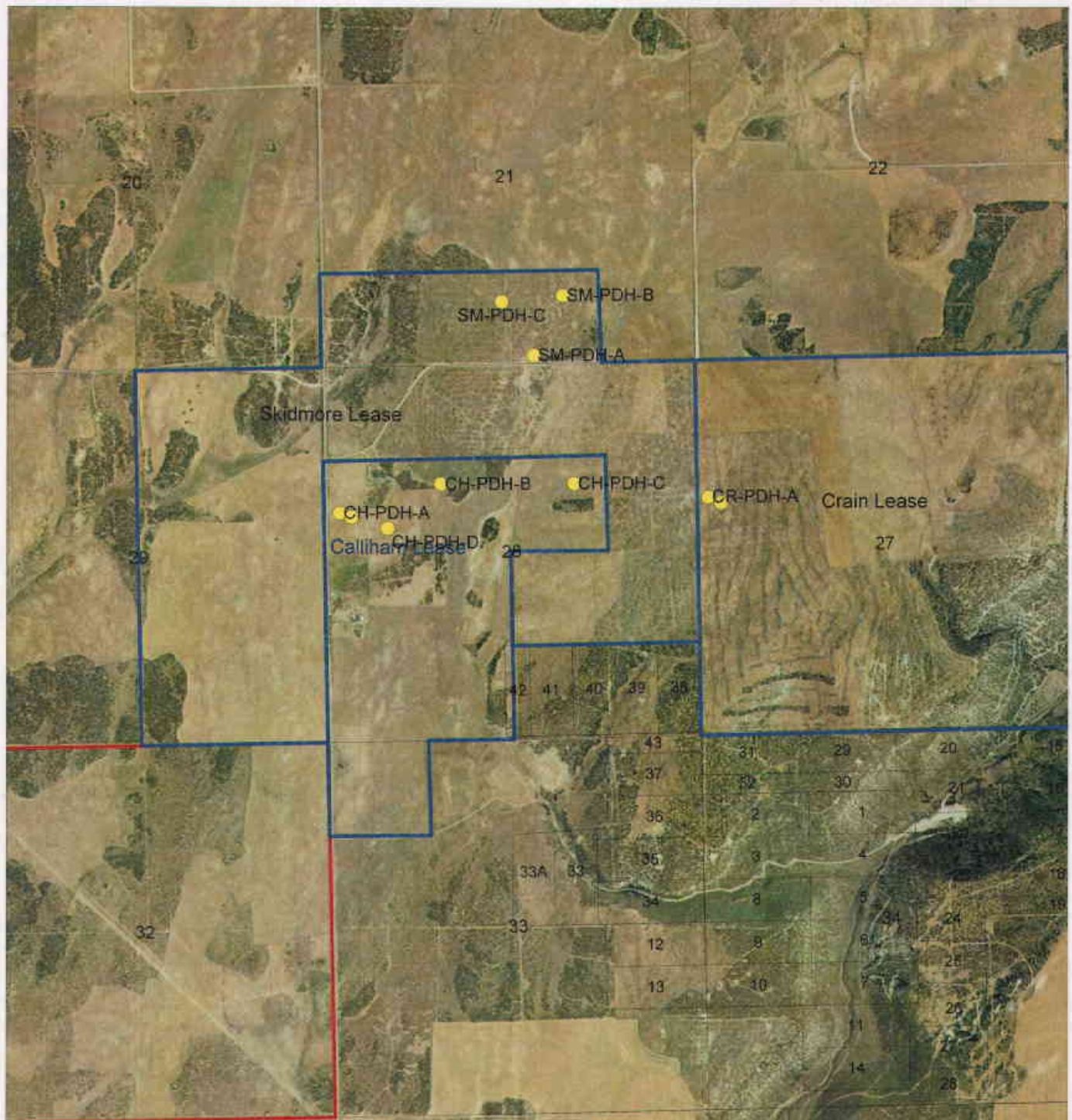


NOV 21 2011

Scale 1" = 2,000 ft

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Sage Plains Complex
Planned Drill Holes



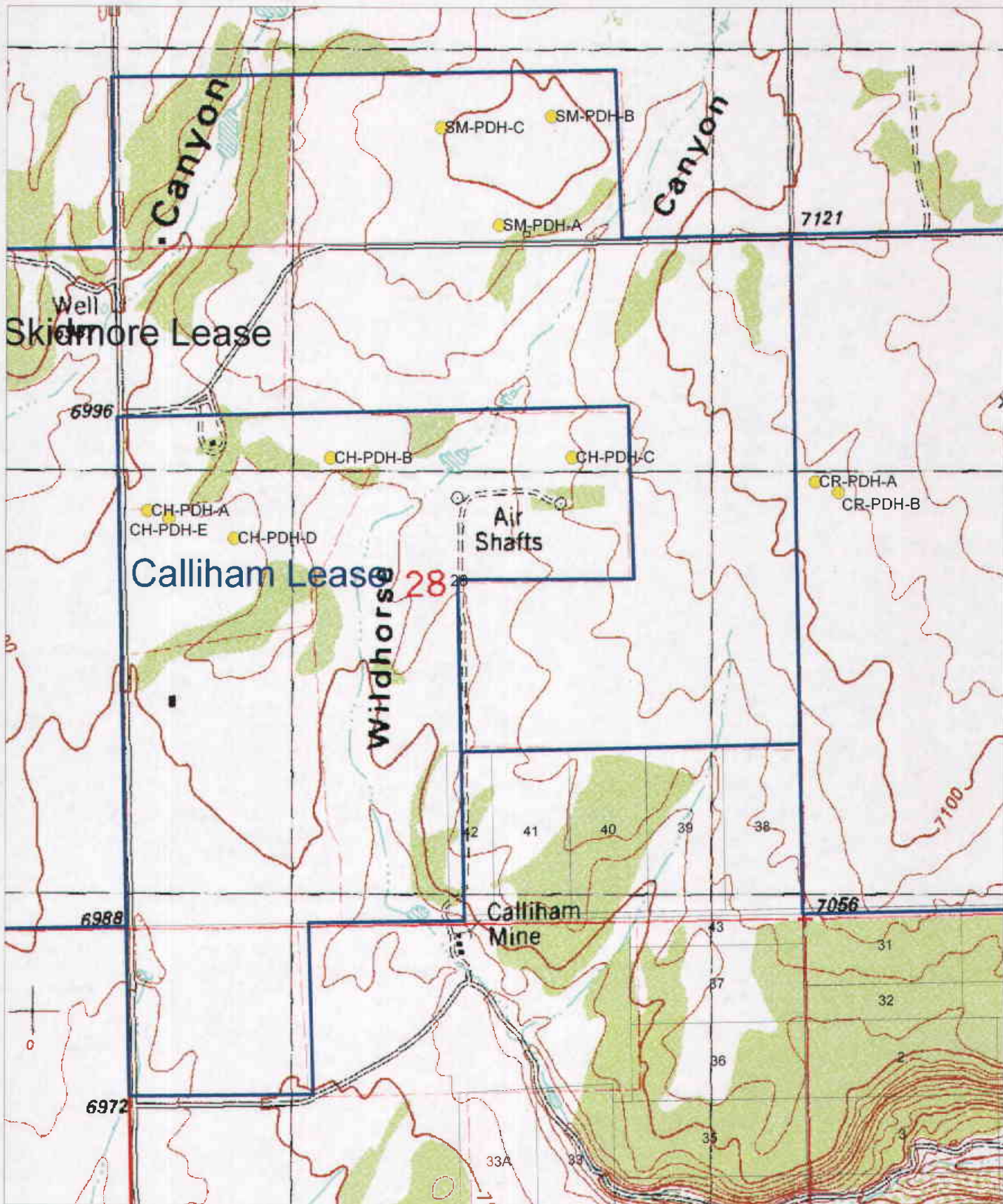
Scale 1" = 2,000 Ft.

Sage Plain Complex
Planned Drill Holes
Aerial View

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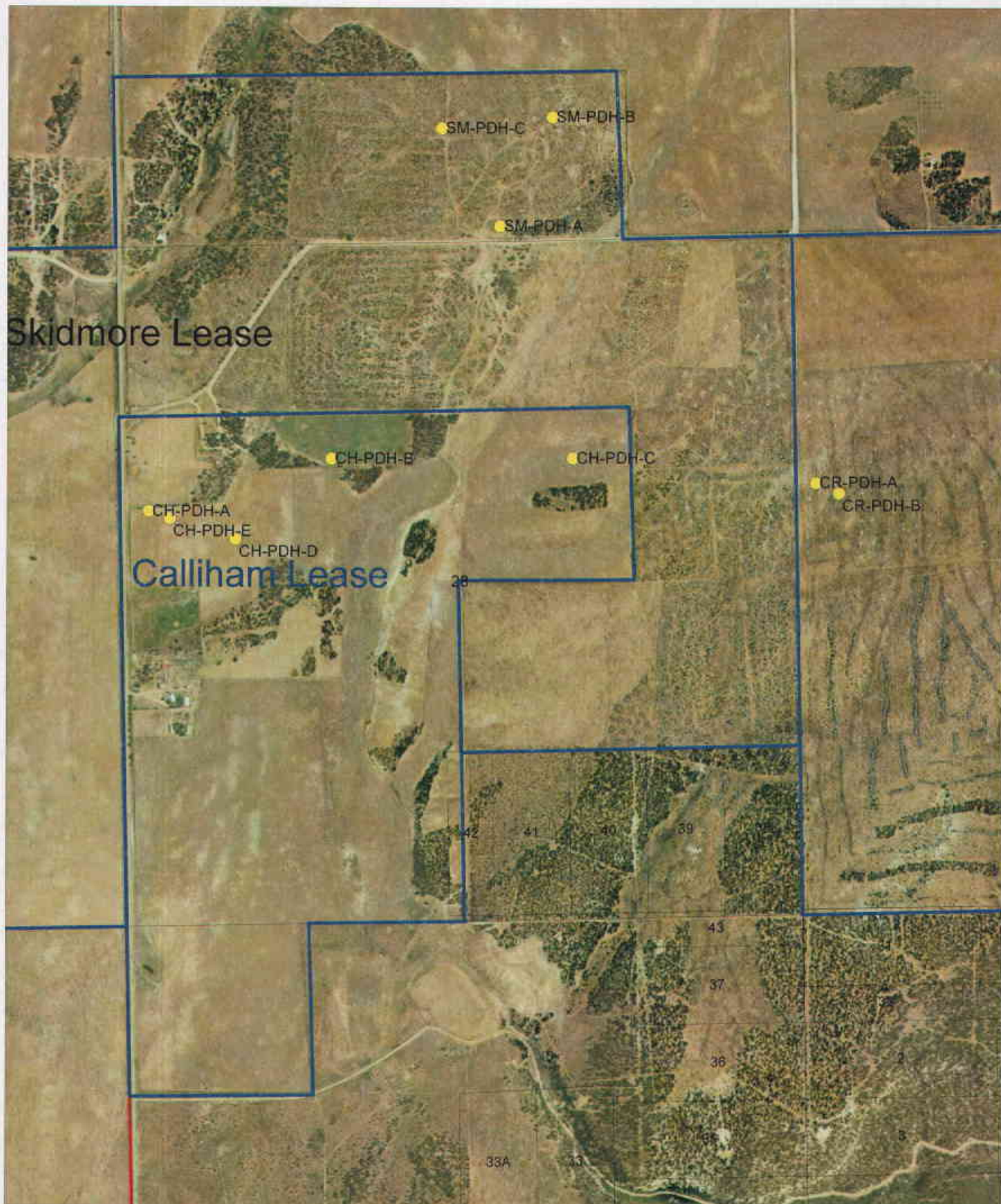
Scale 1" = 1,000 ft

Sage Plains Complex
Planned Drill Holes

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Scale 1" = 1,000 ft

Sage Plains Complex
Planned Drill Holes

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NOV 21 2011

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Sage Plains Complex SP - 2011 - 2
Planned Drill Hole Locations

PDH ID	UTM Zone	Easting	Northing	Elv (m)	Elv (ft)	Dip	Planned	Planned	
							Total m	Total ft	
CR-PDH-A	12S	670187	4204174	2171	7122	-90	213	700	
CR-PDH-B	12S	670242	4204150	2172	7125	-90	213	700	
CH-PDH-A	12S	668600	4204104	2137	7011	-90	210	690	
CH-PDH-B	12S	669035	4204230	2143	7030	-90	201	660	
CH-PDH-C	12S	669609	4204233	2153	7065	-90	210	690	
CH-PDH-D	12S	668806	4204039	2139	7017	-90	198	650	
CH-PDH-E	12S	668650	4204087	2140	7020	-90	61	200	
SM-PDH-A	12S	669435	4204782	2164	7100	-90	223	730	
SM-PDH-B	12S	669559	4205040	2167	7111	-90	213	700	
SM-PDH-C	12S	669296	4205013	2166	7106	-90	216	710	

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